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Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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UNFPA – Structured funding dialogue

United Nations Population Fund

Report on contributions by Member States and others to UNFPA and revenue projections for 2018 and future years

Addendum

UNFPA proposal on structured funding dialogues

Summary

In line with the quadrennial comprehensive policy review (QCPR) of operational activities for development (A/RES/71/243), ongoing reform proposals for the United Nations development system, and Executive Board decision 2017/25, UNFPA has developed the present proposal to improve the functioning and effectiveness of the structured dialogues on how to fund the development results agreed in the Strategic Plan, 2018-2021, through a broader and stronger coalition of committed partners. It is inspired by models and practices used by other United Nations agencies.

This proposal is the final version of draft proposals presented to the Executive Board at informal consultations in February and May 2018. It incorporates guidance, comments and suggestions received from Member States.

UNFPA proposes a series of structured funding dialogues with Member States aiming at gaining greater understanding of the funding situation and needs at various points in the year, presenting UNFPA work to expand its funding base, and strengthening Member States commitment for predictable and sustainable funding.

The success of the structured funding dialogues will depend on all parties living up to their respective commitments to ensure sustainable financing approaches in order to leave no one behind and reach those furthest behind first.

The Executive Board may wish to endorse this proposal as part of the decision on UNFPA funding issues. Elements of a decision are contained in section V of the report on contributions by Member States and others to UNFPA and revenue projections for 2018 and future years (DP/FPA/2018/10).

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I. Context

1. Securing adequate levels of predictable financing is the linchpin for the success of the UNFPA Strategic Plan, 2018-2021 and its programmes, and is critical to the organization's ability to keep pace with the growing demands for its services to the countries it serves, to fully integrate the ICPD agenda into national development strategies, and the comparative advantage it brings to support the implementation of Agenda 2030 for Sustainable Development.

2. However, UNFPA continues to face challenges for predictable funding: sexual and reproductive health and reproductive rights, family planning and maternal health remain underfunded. The funding outlook remains challenging for both Member States and UNFPA, now and in future years. The UNFPA donor base for large contributions remains narrow, hence the need to expand it towards a less vulnerable funding situation, and a more balanced community of contributors.

3. With the adoption of the Strategic Plan, 2018-2021, there is great momentum to boost the political and financial support of Member States for predictable and sustainable financing in order to achieve the three ambitious transformative results[1] outlined in the Strategic Plan, and to contribute to the implementation of the 2030 Agenda for Sustainable Development.

4. In line with the QCPR (A/RES/71/243), ongoing reform proposals for the United Nations development system, and Executive Board decision 2017/25, UNFPA has developed this proposal[2] to improve the functioning and effectiveness of the structured dialogues on how to fund the development results agreed in the strategic plan, through a broader and stronger coalition of committed partners. It is inspired by models and practices used by other United Nations agencies.

5. The structured funding dialogues are important elements in the reform process of the United Nations development system. They aim at providing greater clarity on how much it costs to meet the expected outcomes and impact outlined in the strategic plans and the resources available or needed to finance them. This process has the potential to significantly strengthen current funding practices and, in turn, the governance of the funds and programmes. With the goal to secure adequate resources for the Strategic Plan, the structured funding dialogues would connect Executive Board approval of strategic priorities of the funds and programmes to a discussion on financing, including on potential joint initiatives,[3] and prospects for joint resource mobilization. Recognizing that funding and governance are linked, the structured funding dialogues should also address ways and means to ensure strong ownership of strategic plans and their implementation by all Member States, transparent budgeting processes, and accountable management practices and reporting.[4]

II. Guiding principles for enhancing structured funding dialogues

6. The proposal is based on the guiding principles as laid out in the Secretary-General's report, Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet, the General Assembly resolution 72/279 on the repositioning of the United Nations development system, as well as

[1] By 2030: End unmet need for family planning; End preventable maternal deaths; End gender-based violence and harmful practices against women and girls.

[2] This proposal is the final version of draft proposals presented to the Executive Board at informal sessions in February and May 2018, and incorporates guidance, comments and suggestions received from Member States.

[3] As suggested in the common chapter of the Strategic Plan, 2018-2021: Working together to support implementation of the 2030 Agenda.

[4] Based on the 2017 session of the Economic and Social Council: Implementation of General Assembly resolution 67/226 on the QCPR: funding analysis (A/72/61-E/2017/4).

elements of key decisions of the Executive Board on structured funding dialogues, budget and related matters. The principles for future structured funding dialogues include:

(a) Regularity of dialogues throughout the year;

(b) Structured, yet interactive and flexible;

(c) Framed in the context of the QCPR and the Secretary-General's funding reforms as proposed in his report: Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet;

(d) Reflective of the evolving United Nations financing context, moving from funding to financing the Sustainable Development Goals;

(e) Ownership of the dialogues by all Member States: traditional donors, emerging donors and programme countries;

(f) Focused on:

(i) Predictable and sustainable funding for the duration of the Strategic Plan, 2018-2021, with core funding as the bedrock of UNFPA;

(ii) Quality of non-core resources, including factors of fragmentation and compliance to cost-recovery policy;

(iii) Aligning resources with needs, demonstrating and giving visibility to results achieved with donor funding;

(iv) Consistency of approaches with the other United Nations funds and programmes.

III. Proposal for 2018 and beyond

7. UNFPA proposes a series of structured funding dialogues with Member States aimed at gaining greater understanding of the funding situation and needs at various points in the year, presenting UNFPA work to expand its funding base, and strengthening Member States commitment for predictable and sustainable funding.

Content

8. To reflect the evolving nature of the financing landscape of the United Nations development system in general and UNFPA in particular, the structured funding dialogues should cover a variety of funding sources, streams and topics. Aligned to the funding architecture accompanying the UNFPA Strategic Plan, 2018-2021, the scope of the structured funding dialogues should encompass core resources, non-core resources (thematic funds, joint-funding instruments, humanitarian funding, blended financing), private sources of funding, strategic partnerships, digital tools, among others. The content of each session would vary depending on circumstances, challenges faced and opportunities arising throughout the year.

9. The structured funding dialogues will also be used as a platform to advance the concept of a UNFPA funding compact under discussion with Member States. The UNFPA funding compact is a mutual commitment between Member States and UNFPA, through which:

(a) UNFPA commits to enhance excellence in programming, transparency in financing, accountability in management and reporting, and to further align its funding architecture to the Strategic Plan, 2018-2021;

(b) Member States commit to support the mandate of UNFPA through adequate levels of resources for the implementation of the Strategic Plan, 2018-2021 and the operationalization of its funding architecture.

Goal and objectives for 2018-2021

10. The goal of the structured funding dialogues is to arrive at a more diverse coalition of donors, as well as predictable and commensurate financing for the realization of universal access to sexual and reproductive health and reproductive rights for the next three cycles of the strategic plan towards 2030. This will be achieved by focusing on:

(a) Funding needs, gaps and projections, using rigorous and updated financial information;

(b) Aligning resources with programmatic needs, using robust analysis;

(c) Demonstrating and giving visibility to results achieved, including through UNFPA digital instruments and platforms, improving real-time data access and enhancing visibility for donors and partners.

11. The specific objectives which UNFPA expect to achieve through the structured funding dialogues are to:

(a) Maintain or surpass the minimum floor of $350 million throughout the entire cycle of the Strategic Plan, 2018-2021;

(b) Increase the number of core contributors from 120 (2017 baseline) to 150 (2018 target), and maintain that level throughout the entire cycle of the Strategic Plan, 2018-2021;

(c) Increase the number of donors committing to multi-year contributions;

(d) Increase the proportion of core contributions from non-OECD DAC and programme countries from 1.5 per cent (2017 baseline) up to 10 per cent (2018-2021 target)

(e) Help to operationalize the UNFPA funding architecture and the UNFPA funding compact (figure 1).

Frequency

12. UNFPA proposes to organize three meetings per year, in the margin of or close to the Executive Board's formal sessions, as follows:

(a) After the first regular session (January/February) – informal meeting

(b) Before the annual session (May/June) – informal meeting

(c) At the second regular session (September) – formal agenda item of the session.

Format

13. The format of the structured funding dialogues should be dynamic, evidence-based and interactive, typically structured around a formal agenda and documentation available at least two weeks in advance of the meeting. It should include a short presentation by UNFPA, followed by an exchange with Member States.

14. It should be inclusive, that is, not necessarily limited to the official membership of the Executive Boards for a given year, but rather open to a broader United Nations development system constituency, including delegations engaged in discussions on financing for the United Nations development system, or interested in and politically committed to the UNFPA mandate and thematic priorities.

15. The structured funding dialogues should contribute to strengthening the ownership of Member States over the strategic plan and related funding, pointing to funding gaps and their impact on implementation of the strategic plan. As appropriate, some sessions could be open to representatives from the other United Nations funds and programmes, and other United Nations agencies with which UNFPA has a close partnership, as well as other relevant non-governmental, private or other funding partners.

Sequencing

16. In order to structure the structured funding dialogues in a logical and relevant manner throughout the calendar year, UNFPA proposes to sequence sessions based on the existing calendars of the Executive Board and the Economic and Social Council, as follows:

(a) *First regular session*. Main highlights of past year, funding situation at the beginning of year, funding gaps and funding perspectives, latest development on thematic/non-core funding, and innovative financing;

(b) *Annual session*. Funding situation at mid-year, projections for the rest of the year, including priority funding gaps, and any other relevant aspect of financing;

(c) *Second regular session*. Annual report on funding contributions (report on contributions by Member States and others to UNFPA and revenue projections for the current and future years), progress achieved, main challenges per funding instrument, funding gaps, focus on additional pledges needed, and perspectives for upcoming year.

17. These three sessions could be complemented by specific briefings with missions or regional groups, as needed, as well as with other United Nations agencies or the broader United Nations Development Group, pending Member States decisions on the repositioning of the United Nations development system and the Secretary-General's proposal for a funding compact and dialogue. Further extraordinary meetings[5] could be envisaged, as necessary. Figure 3 provides an illustration of the proposed annual cycle of structured funding dialogues.

IV. Other considerations

18. Over the course of the Strategic Plan, 2018-2021, UNFPA will continue to refine its methodology to report on results, in particular those achieved with core contributions, and to further develop and improve other financing instruments to complement core resources.

19. Through the internal Comprehensive Resources Review, UNFPA has committed to ensure that resources, human and financial, are optimally deployed in support of the Strategic Plan, 2018-2021. The focus is on strengthening and streamlining the UNFPA structure, business processes and units, as well as staff skill sets for improved efficiencies, cohesiveness and synergies between the various levels of the organization. The Review is a clear demonstration of UNFPA commitment to change management towards an optimized management of resources.

20. The structured funding dialogues should contribute to form a coalition of committed Member States, strongly determined to working together to deliver on the 2030 Agenda through the UNFPA mandate. It is envisaged that UNFPA will work closely with two Member States, designated as "champions of UNFPA structured funding dialogues" to help UNFPA rally a broad and diverse group of delegations around the structured funding dialogues and the realization of a funding compact. It is expected that the two "champions of structured funding dialogues" would consist of one traditional donor and one programme country.

[5] UNFPA organized an extraordinary meeting and several briefings following the defunding from one of its top donor in 2017.

21. The success of the structured funding dialogues will depend on all parties living up to their respective commitments to ensure sustainable financing approaches in order to leave no one behind and reach those furthest behind first.

Figure 1
UNFPA funding architecture

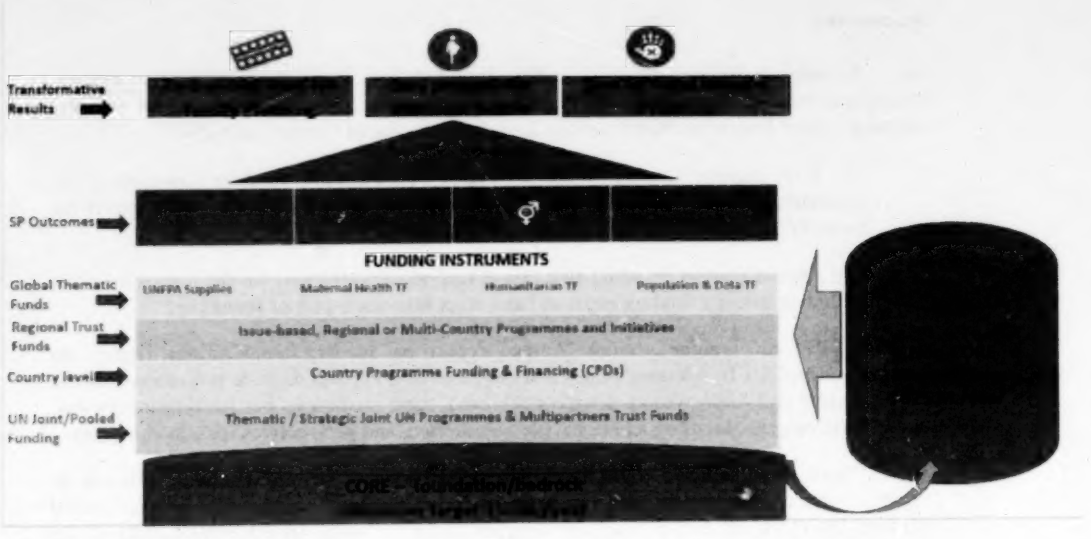


Figure 2
UNFPA funding compact

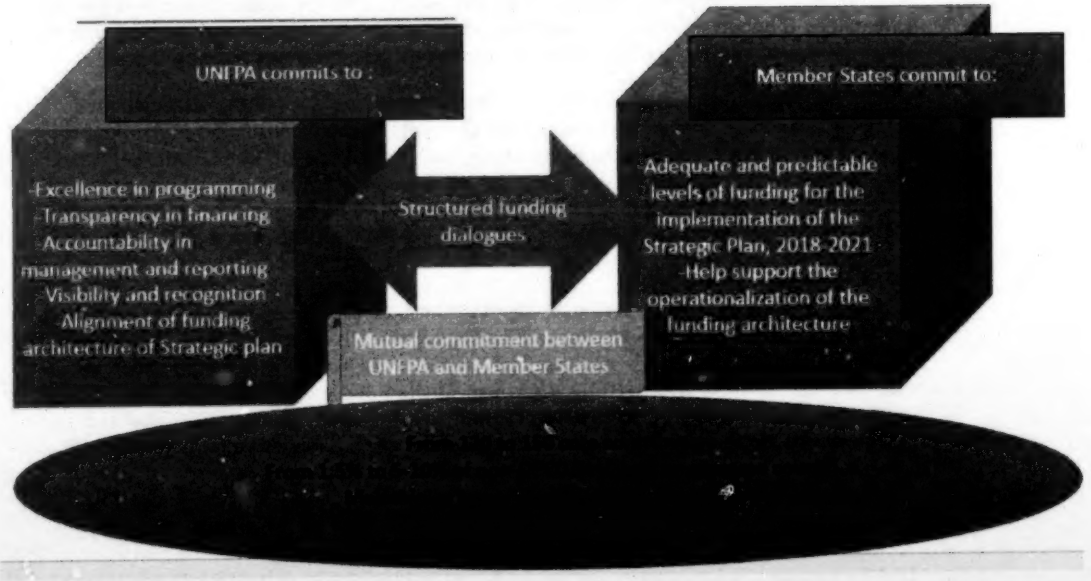
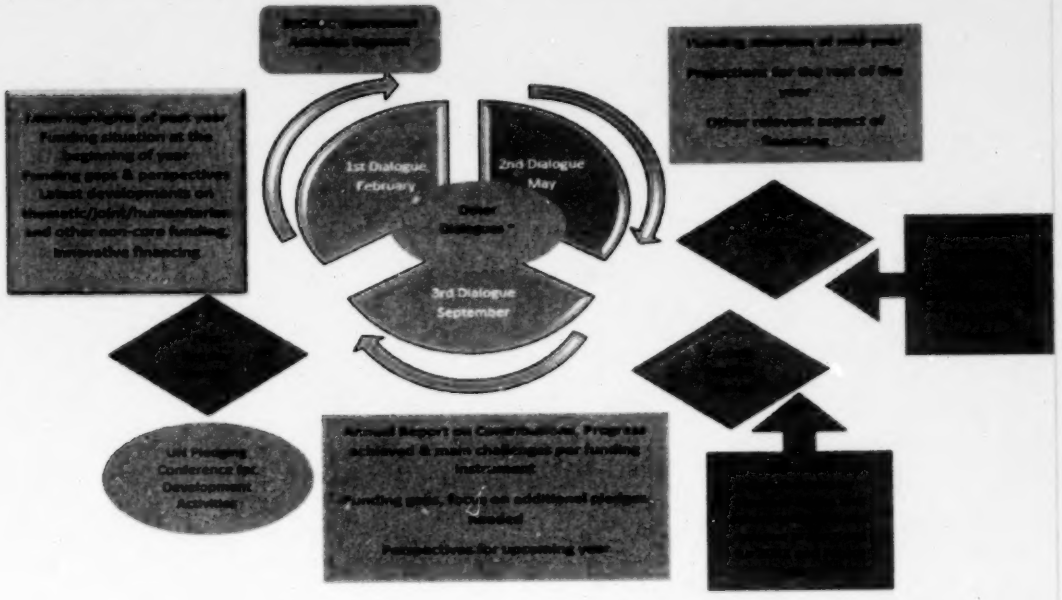

UNFPA commits to :
-Excellence in programming
-Transparency in financing
-Accountability in management and reporting
-Visibility and recognition
-Alignment of funding architecture of Strategic plan
Structured funding dialogues
Member States commit to:
-Adequate and predictable levels of funding for the implementation of the Strategic Plan, 2018-2021
-Help support the operationalization of the funding architecture
Mutual commitment between UNFPA and Member States

Figure 3
Illustration of the proposed annual cycle of UNFPA structured funding dialogues



*To be further defined depending on circumstances, decisions of the Executive Board and directions of the broader UN reform.

ECOSOC / UN related matters

UNDP/UNFPA/UNOPS Executive Board related matters

UNFPA SFDs